

February 14, 2023

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NOTICE: As described further below, this letter is filed subject to a request for CONFIDENTIAL treatment and an exception under the public records law.

VIA EMAIL

CHRISTOPHERJ.MARTIN@WISCONSIN.GOV

The Honorable Nathan Houdek
Commissioner of Insurance
Wisconsin Office of the Commissioner of Insurance
125 S. Webster Street
Madison, Wisconsin 53703-3474

Attn: Mr. Christopher J. Martin, Division of Financial Regulation

RE: Change No. 1 dated February 14, 2023 to the Form A, Statement Regarding the Proposed Acquisition of Control, dated December 16, 2022 (the “Form A”) of North American Insurance Company (the “Domestic Insurer”)

Dear Mr. Martin:

In connection with the Form A filing submitted on behalf of Knighthead Holdings Ltd. (“Applicant”) and its controlling persons to the Wisconsin Office of the Commissioner of Insurance (the “Office” or the “OCI”) on December 16, 2022 (“Form A”), we are submitting this Change No. 1 to the Form A, pursuant to Wis. Admin. Code § Ins 40.14(2), to report that a newly-formed, direct subsidiary of Applicant, Knighthead US Holdings, Inc., a Delaware corporation (“Knighthead Holdco”), will acquire the stock of the Domestic Insurer instead of Applicant and become one of the Acquiring Parties. As described in Item 1(b) of the Form A, Applicant's formation of Knighthead Holdco and assignment by Applicant of its rights to purchase the stock of the Domestic Insurer to that subsidiary, was contemplated under the terms of the Stock Purchase Agreement and was previously disclosed to the Office as part of the Form A. Capitalized terms in this Change No. 1 and not otherwise defined have the meanings assigned to them in the Form A.

In addition to substituting Knighthead Holdco for Applicant as the directly acquiring party of the Domestic Insurer, the Form A is changed as follows (there are no other changes to items not listed as a result of the substitution):

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Item 1. Knighthead Holdco will acquire the Domestic Insurer pursuant to the terms of the Stock Purchase Agreement. The assignment effectuating the transfer of the rights to purchase the stock of the Domestic Insurer from Applicant to Knighthead Holdco was effective as of the incorporation of Knighthead Holdco. Consequently, following the consummation of the Proposed Acquisition, the Domestic Insurer will become a direct, wholly owned subsidiary of Knighthead Holdco and, through Knighthead Holdco will be indirectly controlled by each of the other Acquiring Parties.

Item 2. Knighthead Holdco's address is 251 Little Falls Dr., Wilmington DE 19808, and it is a Delaware corporation formed on January 17, 2023 with Applicant as its owner. The certificate of incorporation of Knighthead Holdco is included as Exhibit D. Following the consummation of the Proposed Acquisition, the Domestic Insurer will become a direct, wholly-owned subsidiary of Knighthead Holdco. However, as stated in Item 2 of the Form A, Knighthead Holdco will not be the ultimate controlling person of the Domestic Insurer. Rather, the ultimate controlling persons of the Domestic Insurer following the consummation of the Proposed Acquisition will be Mr. Ara Cohen, Mr. Thomas Wagner and Mr. Greg O' Hara.

A simplified organizational chart, which sets out the direct chain of ownership between the Domestic Insurer and Messrs. Cohen, Wagner, and O'Hara that will result from consummation of the Proposed Acquisition, is included as Exhibit F. This Exhibit F replaces Exhibit B to the Form A.

An organizational chart reflecting the current ownership structure of the Acquiring Parties, including the identities and interrelationships among the Acquiring Parties and all persons known to control, to be controlled by or under common control with the Acquiring Parties is included as Exhibit CE-3(C) in a separate confidential supplement to this Change No. 1. This Exhibit CE-3(C) replaces Exhibit CE-3(A) to the Form A. As described further below, Applicant requests confidential treatment for Exhibit CE-3(A) and Exhibit CE-3(C) only until consummation of the Proposed Acquisition.

An organizational chart reflecting the ownership structure of the Domestic Insurer following consummation of the Proposed Acquisition, including the identities and interrelationships among the Domestic Insurer, its affiliates, and the persons identified on Exhibit CE-3(C), is included as Exhibit CE-3(D) in a separate confidential supplement to this Change No. 1. This Exhibit CE-3(D) replaces Exhibit CE-3(B) to the Form A. As described further below, Applicant requests confidential treatment for Exhibit CE-3(B) and Exhibit CE-3(D) only until consummation of the Proposed Acquisition.

Item 3. A list setting forth the names and business addresses for the individuals holding director and executive officer positions with Knighthead Holdco is included as Exhibit CE-4(J) in a separate confidential supplement to this Change No. 1. Knighthead Holdco incorporates by reference, pursuant to Wis. Admin. Code § Ins 40.12(1), biographical affidavits previously filed

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for these individuals as Exhibit CE-5 to the Form A. As described further below, Applicant requests confidential treatment for Exhibit CE-4(J) only until consummation of the Proposed Acquisition.

Item 12. The exhibits included with this Change No. 1 to the Form A or the confidential supplement to this Change No. 1 are:

<u>Exhibit D</u>	State of Delaware Certification of Incorporation of Knighthead Holdco
<u>Exhibit F</u>	Simplified organizational chart after the Proposed Acquisition "
<u>Exhibit G</u>	Revised Version of Redacted Stock Purchase Agreement ¹ "
<i>Confidential Supplement</i>	
<u>Exhibit CE-3(C)</u>	Organizational chart for the Acquiring Parties prior to the Proposed Acquisition
<u>Exhibit CE-3(D)</u>	Organizational chart for the Acquiring Parties and the Domestic Insurer after the Proposed Acquisition
<u>Exhibit CE-4(J)</u>	List of Directors and Executive Officers of Knighthead Holdco

Knighthead Holdco is a newly formed entity and, as such, has no financial statements. Please see the Applicant financial statements referenced in the Form A. Applicant will, prior to the Proposed Acquisition, contribute sufficient cash to Knighthead Holdco to fund the Proposed Acquisition.

Pursuant to the requirements of Wis. Admin. Code § Ins 40.02(1)(b)1., a copy of this submission is also being sent simultaneously to the Domestic Insurer.

The Acquiring Parties hereby request that the exhibits in the confidential supplement to this Change No. 1 to the Form A be kept confidential. Those exhibits contain confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Acquiring Parties.

¹ On January 19, 2023, the Acquiring Parties submitted a revised redacted version of the Stock Purchase Agreement to the Office, which replaces the previous Exhibit A which was included with the initial submission of the Form A. This document is reattached to this Change No. 1 for ease of access by the Office.

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Pursuant to Wis. Admin. Code § 40.05, such information is required under Wis. Stat. § 601.42; therefore, the Office may withhold this information from public disclosure under Wis. Stat. § 601.465(1m)(a) and Wis. Admin Code § Ins 6.13(3), and, moreover, because the information is not public, it is presumed under Wis. Stat. § 601.465(1n)(a), notwithstanding the public records law, that it is proprietary and confidential and that the potential for harm and competitive disadvantage if it is made public by the Office outweighs the public interest in the disclosure of the information.

The exhibits in the confidential supplement also include “trade secrets” as defined under Wis. Stat. § 134.90(1)(c) because information in those exhibits “derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use [and] is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.” A trade secret is exempt from the public records law under Wis. Stat. § 19.36(5) and Wis. Admin. § Code 6.13(2). Accordingly, the Acquiring Parties respectfully request that the Office afford the exhibits in the confidential supplement confidential treatment and except them from disclosure pursuant to this authority.

The Acquiring Parties respectfully submit that excluding the exhibits in the confidential supplement from the public version of Change No. 1 to the Form A is a reasonable means for continuing to protect the highly sensitive nature of the confidential information included therein without impairing the public’s access to information to which it has a right.

Accordingly, the Acquiring Parties respectfully request that the Office afford the information in the confidential supplement to this Change No. 1 to the Form A, as well as any information so designated in any supplements or amendments to this filing, confidential treatment and excepted from disclosure pursuant to all applicable provisions of law, including but not limited to the provisions referenced above, and any other applicable statutory or regulatory authority available to the Office. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

Finally, the Acquiring Parties respectfully request that they be notified in advance if any person requests access to any portion of the exhibits in the confidential supplement so that they have the opportunity to prevent or limit any disclosure.

The Acquiring Parties understand that certain information in the confidential supplement must be made public after consummation of the Proposed Transaction and, therefore, the above requests for confidential treatment are limited to the period prior to the Closing. The same limitation applies to the following exhibits to the Form A:

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<u>Exhibit CE-3(A)</u>	Organizational Chart of the Acquiring Parties Prior to the Proposed Acquisition
<u>Exhibit CE-3(B)</u>	Organizational Chart of the Acquiring Parties and the Domestic Insurer Following the Proposed Acquisition
<u>Exhibit CE-4(A)</u>	List of Directors and Executive Officers of Knighthood Holdings Ltd.
<u>Exhibit CE-4(B)</u>	List of Directors (or equivalent position) and Executive Officers of Knighthood Insurance Fund I, Ltd.
<u>Exhibit CE-4(C)</u>	List of Directors (or equivalent position) and Executive Officers of Knighthood Capital Management, LLC
<u>Exhibit CE-4(D)</u>	List of Directors (or equivalent position) and Executive Officers of Clementine Special Situations KHAL Ltd.
<u>Exhibit CE-4(E)</u>	List of Directors (or equivalent position) and Executive Officers of Clementine Special Situations Holdco LLC
<u>Exhibit CE-4(F)</u>	List of Directors (or equivalent position) and Executive Officers of Clementine Special Situations LLC
<u>Exhibit CE-4(G)</u>	List of Directors (or equivalent position) and Executive Officers of Clementine Special Situations Parent LLC
<u>Exhibit CE-4(H)</u>	List of Directors (or equivalent position) and Executive Officers of Clementine Investments LLC
<u>Exhibit CE-4(I)</u>	List of Proposed Directors and Executive Officers of the Domestic Insurer

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If you have any questions, please do not hesitate to contact Bill Toman, local Wisconsin counsel for the Acquiring Parties, at (608) 283-2434 or william.toman@quarles.com, or me at (212) 506-2205 or stata@mayerbrown.com if you have any questions or require any additional information.

Very truly yours,



Sanjiv J. Tata

Enclosure